



Statutory Changes in the 1999 - 2001 Biennial Budget

RR #637

DRY CLEANER ENVIRONMENTAL RESPONSE PROGRAM

NOVEMBER, 1999

The 1999 - 2001 biennial budget bill contains a number of statutory changes that will affect the Dry Cleaner Environmental Response Program (DERP). These changes will be incorporated into the existing statutes, Secs. 292.65 and 292.66. The changes will be reflected in NR 169, the rule that implements the program, which will be effective in early, 2000. The following is a side by side comparison of the new statutory language and the original statutory language. For more information on the Dry Cleaner Environmental Response Program, you may visit the DNR web site at www.dnr.state.wi.us/org/aw/rr. You may access the Governor's budget bill from a link contained on this web page.

Key-words

New Statutory Language

Original Statutory Language

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| Interim Actions Reimbursement Limits | Preliminary site screening and the purchase and installation of interim action equipment will be reimbursed as a 50% co-pay for eligible costs. Maximum awards from the fund are now \$20,000 of which no more than \$3000 may be used for preliminary site screening. There are no deductibles applicable for interim actions. | Preliminary site screening and the purchase and installation of interim action equipment had a \$15,000 limit of which no more than \$3,000 could be used for preliminary site screening. All costs over \$15,000 were to be born by the dry cleaner. There were no deductibles for this statute. |
| Interim Action Eligibility Criteria | Closed facilities, as well as operating facilities are eligible for interim action reimbursements. | The original statute limited interim action reimbursements only to operating facilities |
| Interim Action Perchloroethylene Delivery | In order to be eligible for reimbursement, applicants must document that perchloroethylene is delivered through a closed loop system. | No provisions for this existed in the original statute. |
| Immediate Actions | Allow removal of soil and free product recovery as eligible costs for immediate actions | Soil removal and free product recovery were specifically excluded as eligible for immediate action reimbursements. |
| Financing Costs Clarification | Clarifying that financing costs are not eligible for reimbursement. | Technical wording correction. These costs were never intended to be reimbursable. |



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| Past Costs | <p>Money available in the fund for remedial response actions will be allocated for past costs (costs incurred between 1/1/91 and 9/14/97) as follows: 75% of the monies in year 1, 50% in year two, and at least 30% in year 3 and beyond.</p> | <p>Money available in the fund for remedial response actions would all be directed for past costs (costs incurred between 1/1/91 and 9/14/97) before any new sites would be reimbursed for new costs.</p> |
| 30 Year Fee for closed facilities | <p>For eligible closed facilities, calculate the 30-year license fee and the 30-year solvent fee when the application is received, and use those fees as deductibles for any awards issued under the program. Clarify that other site deductibles also apply to closed facilities.</p> | <p>For each year of the 30 year time period for which fees must be paid, the average annual license and solvent fee would be calculated and charged to the applicant. The applicant would have had to guarantee payment by executing a note and a mortgage and a payment bond acceptable to the department.</p> |
| Use of Environmental Fund | <p>Allow the Environmental Fund to be reimbursed from the Dry Cleaner Fund when the Environmental Fund is used to clean up eligible dry cleaning facilities.</p> | <p>The original statute was mute on this point.</p> |
| Eligibility Criteria for Property Owners | <p>Modify the definition of owners and operators, to allow for property owners of licensed facilities to be eligible for the program.</p> | <p>The original statute did not allow property owners to be eligible applicants.</p> |
| Formal Wear Rental Firm Exemption | <p>Exempt formal-wear rental firms from the fees and the program.</p> | <p>These firms were included in the original statutory language.</p> |
| Insurance claims | <p>The owner or operator shall notify the department of any insurance claim made to cover eligible costs, the status of the claim, and any proceeds arising from the claim. Proceeds beyond the deductible must be returned to the department and put into the dry cleaners fund.</p> | <p>There were no provisions for this in the original statute</p> |
| Closed, direct-coupled delivery system | <p>Applications for reimbursement are not eligible if the discharge is caused by a person who provided perchloroethylene to the owner or operator using a system other than a closed, direct-coupled delivery system.</p> | <p>There were no provisions for this in the original statute.</p> |